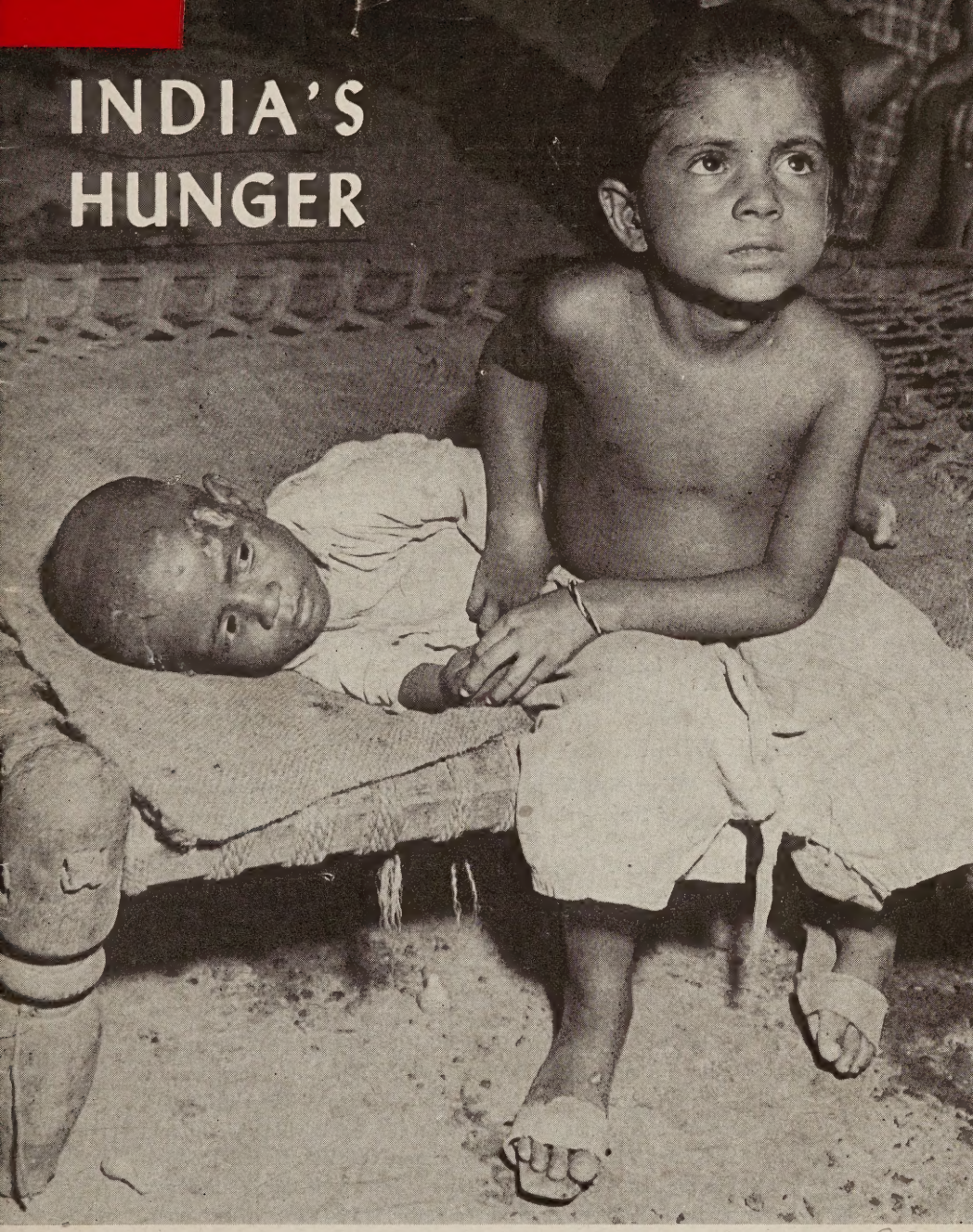
INDIA'S HUNGER



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REPORT OF THE

AMERICAN FAMINE MISSION

TO INDIA

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MEMBERS OF THE

AMERICAN FAMINE MISSION TO INDIA

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DR. THEODORE W. SCHULTZ, *Chairman*

Chairman, Department of Economics, University of Chicago; Consultant to Department of Agriculture, Department of State, Food and Agriculture Organization of the United Nations

LILLIAN SMITH

Novelist, author "Strange Fruit"

DR. HENRY SMITH LEIPER

Ecumenical Secretary, Federal Council of the Churches of Christ in America; Associate General Secretary, World Council of Churches

JOSEPH WILLEN

Executive Vice-President, Federation of Jewish Philanthropies of New York

SIDNEY HERTZBERG, *Consultant*

Former editor, "Common Sense"

•

The Mission was in India from June 24 to July 14, 1946. By special plane, train and auto, the Mission visited the following Provinces and Indian States: Sind, United Provinces, Bhopal, Bengal, Madras, Pudukkottai, Mysore and Bombay. The cities and villages it toured include: Karachi, Delhi, Bhopal, Lucknow, Calcutta, Dacca, Jhanjiraghat, Vizagapatam, Tambaram, Madras, Sriperumbudur, Chingleput, Kaveripakkam, Vellore, Tirupati, Chittor, Pirth, Chattor, Anantapur, Ramnad, Bangalore City, Devanhalli, Chickballapur, Christamari, Srinivasapur, Kolar, Poona, and Bombay City. The Mission conferred with scores of central government, provincial and local officials, private persons and popular political leaders including Pandit Nehru, Mahatma Gandhi and M. A. Jinnah.

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Cover photo by Bradley Smith

FOREWORD

The India Famine Emergency Committee is a group of Americans who believe that all people hungry and in danger of famine deserve an equal share of the world's supply of food. When it became apparent that India's people were about to be forgotten in the general world distress, we organized to see that they were not forgotten. The oversight was doubtless not intentional. India's plight did not become fully known until after January, 1946, when the expected rains, which might still have saved the crops, did not come. The Indians themselves did not ask for food until they were sure of their own desperate need. UNRRA was not able to allocate food to them because they were not technically war-devastated.

The problem in supplying food for India now is not that of money. India can pay for all she needs. The problem is not even that of shortage of food supply in the rest of the world. There are supplies to be had. But they must be allocated *and sent.*

After considering the facts available to us, the India Famine Emergency Committee felt the need for further information from India. Believing that the best way to get it would be to go direct, we decided to send a small group of Americans to India to study the food situation, both needs and possible supplies. The Government of India very kindly cooperated by inviting the group to come as guests and provided them with every facility for travel and observation.

What our Mission found and what they recommend is given below in concise and concrete terms. But behind the facts and figures are the people who are hungry and nearing starvation. Whatever is done for them here must be done before October the first, at the latest. After that it will be too late. This report therefore must be read with the thought of action within the next few weeks. It is presented to Americans with our earnest conviction of its truth and with solemn warning that if we neglect to relieve present hunger and the death that threatens millions of India's people, the future will be darker for us all. If we work together to save these lives, the future will be so much the better for us all. In life and death people never forget.

I wish to express here my deep gratitude to the members of the American Famine Mission to India who left, each of them, important work to go to India at this time. Only the most profound sense of world responsibility could have persuaded them to undertake a journey filled with such hardship. But they knew the urgency and the immediacy of India's need. The India Famine Emergency Committee joins me in more than thanks.

PEARL S. BUCK

Report of The American Famine Mission To India

I — FINDINGS

Food supplies on which India's rationing system depends are near exhaustion

India, despite a crop shortage of seven million tons, has postponed famine for the first six months of the year. This was done by means of a highly successful system of rationing and enforced procurement of food grains from cultivators. Now a six month period confronts the Indian people during which they cannot avoid famine without imports since their supplies are being rapidly exhausted.

Two million tons of food imports are required to avert famine

If the system is not to collapse, the Government of India will have to provide at least four million tons of food to local rationing shops during the period from July through December.

About 1,600,000 tons of this can be obtained from sources within India, in large part from the November and December harvests.

Another 400,000 tons can be released for consumption by reducing the government stocks from the eight week supply where they now stand to a six week basis. Below this level working stocks cannot be safely lowered in view of transport and distribution difficulties.

This confronts India with a food gap of 2,000,000 tons which, if it is to be met, must come from abroad and must come early, as the heavy deficits will occur in August, September and October. Only by such imports can famine on a widespread scale be averted.

By procurement and rationing India has achieved controlled hunger

No country in the world, with perhaps the exception of Russia, has gone so far in controlling basic food distribution—not even Germany under the Hitler dictatorship. As the shortages have become acute, in more and more areas monopoly procurement has been instituted. More and more of India's people have gone on rations. Lower and lower have fallen food allowances, reaching in some districts the starvation level of seven, six, even five ounces a day for adults.

The massive difficulties confronted by government can be appraised only by taking into account the fact that 60 percent of India's people are small cultivators clustered around India's 700,000 villages in which live 85 percent of the population; inadequate supplies, inadequate transport, widespread illiteracy have piled up the task to apparently impossible heights. Yet the job has been done. Popular provincial governments and skilled public administrators together have accomplished extraordinary results. Taking due account of human weakness and selfishness, it was yet found that in nearly every area visited, achievements were far above expectations. Regrettably the least that was being accomplished was found in the important province of Bengal.

These food controls, by their very efficiency, have squeezed both cultivator and consumer to the point where they are now forced to lean their whole weight on the system which their cooperation supports. If this rationing and procurement system collapses, they collapse with it. By levelling out the available food so that all might share equally in its consumption, famine pockets and early deaths were avoided. But by this spreading of the deficit, the danger of mass malnutrition and acute famine was also spread. Only by keeping stocks built up to ensure a continuous flow of food can disaster for many millions be avoided.

Closing the food gap confronting India

These stocks can be maintained only by imports. There are not sufficient reserves among cultivators in India to avert mass starvation. Many millions of cultivators are themselves so short of food that they must draw from ration shops or starve. While it is true that enforced procurement has not cut down the food supply of cultivators as deeply in surplus areas as it has in the major deficit regions, further improvements in both procurement and rationing cannot keep the reserve up to the strength necessary for distribution.

To close the gap, India must obtain two million tons of food grains from abroad during the remainder of 1946. The greater part of this should reach India during August, September and October, which will necessitate a speeding up of shipments.

Where are these food imports to be obtained?

Rice comes first in India's food requirements. But the outlook for enough rice is not bright despite the generous offer of Indonesia of 500,000 tons. Burma, which alone before the war supplied one million tons of rice to India, and Siam, may together achieve rice exports of 650,000 tons, but only about two-fifths of this is being allocated to India by the International Emergency Food Council.

350,000 tons of corn are in prospect for India from the Argentine, United States and Egypt. This will be as much corn as India can use. Iran has offered 100,000 tons of barley, another food grain that is difficult to use because of food habits and cooking facilities.

Next to rice comes wheat as a food grain in India's requirements. Australia is supplying about 40,000 tons per month, some of which has been in the form of flour, although grain instead of flour is very much preferred. The monthly allocation of wheat from the United States is 80,000 tons. Australia is approaching the end of her crop year with supplies nearing exhaustion; the United States is harvesting a new crop that fortunately is large.

Even if these various food grains from abroad are all realized by India, which is a too optimistic expectation, a substantial gap will still remain. In addition, there is the need for a strategic food reserve to stabilize the situation in Bengal.

All told, 750,000 tons of food grains from the United States, mostly wheat, are required to keep the rationing machinery of India from collapsing and thus avert famine conditions.

Unstable food situation in Bengal calls for special reserve stocks

To manage the forces adversely affecting food in Bengal, the Government of India needs to establish a special strategic reserve of food grains of about 250,000 tons. This reserve is in addition to working stocks, that is, to stocks in transit and in food depots necessary to keep rationing shops going.

Bengal, with over 60 million people, is the largest province in India. Bengal is a special case, an exception to the rest of India. The food procurement program of Bengal has been wholly inadequate. As prices rise, people fear famine with vivid memories of the tragedy of 1943. Normally, world rice supplies have acted as a stabilizer of the rice market in Bengal. In other parts of India, Government procurement and distribution have achieved control. Bengal is the notable exception. To hold prices and thus keep famine conditions from developing, a special stock of rice is required.

FOOD BUDGET FOR INDIA

July to December 1946 with stocks reduced to a minimum of a six weeks supply

(all figures in long tons)

Month	*Beginning stocks—first of each month*	*Additional procurement and supplies from within India*	*Consumption from government stocks*	*Import necessary to maintain six weeks of stocks*
July	1,395,000	250,000	675,000	225,000*
August	1,195,000	125,000	700,000	380,000
September	1,000,000	110,000	725,000	615,000
October	1,000,000	110,000	700,000	590,000
November	1,000,000	400,000	650,000	250,000
December	1,000,000	600,000	600,000	0
TOTALS		1,595,000	4,050,000	2,060,000
Strategic reserve to stabilize food situation in Bengal				250,000
				2,310,000

The Government of India is also obligated to supply food for Indian troops and for New Delhi, which requires an additional 230,000 tons for the period July-December, 1946.

***According to Morrison Agreement.**

II — RECOMMENDATIONS

1. That the Government of the United States support India in her request for an aggregate allocation of 2,000,000 tons of food grains from the International Emergency Food Council for the second half of 1946. This allocation for purchase by India should consist of rice from Burma, Siam and other South East Asia sources and of wheat, corn and grain sorghum from Australia, the Argentine, the Middle East and the United States.

2. That the United States, during the second half of 1946, make available for India's purchase and arrival 750,000 tons of food grains consisting mainly of wheat.*

3. That the bulk of this food grain be scheduled and shipped so that it will arrive at Indian ports in September, October and early November.

4. That the Government of the United States assist India and the Netherlands to reach an early agreement which will permit the Government of India to use the large ports of Java to load rice. The people of Java, through their political leaders, have offered 500,000 tons of rice to India; the rice is available; and, it is imperative that this rice be loaded and shipped to India as soon as possible.

5. That the Government of India be urged to redouble its efforts to acquire more rice from Burma. Despite the difficulties that beset procurement, at least 150,000 tons of rice can be obtained from Burma during the second half of 1946.

6. That the Government of the United States continue to give its full support to the Joint Siamese Rice Commission it helped to create, to procure surplus rice from Siam. This Commission is

*This is both a conservative estimate of India's needs and a small amount of available American supplies. Yet to transport it (along with the wheat requirements of the United Kingdom, UNRRA and Japan-Korea) from the wheat growing areas to seaports, load it and ship it so it reaches India in time to avert the collapse of her rationing system will put a considerable strain on U.S. transport and loading facilities. But it can be done. Port loading facilities in the Northwest and in the Gulf must be kept going at their highest capacity. In addition it will be necessary to ship substantial amounts of wheat from the interior to the east coast in order to achieve the required volume of loading, most of which must be done during the next eight to ten weeks. It will be also be necessary to divert to India some of the wheat now being loaded for other countries in the Northern Hemisphere where home-grown crops are now being harvested.

already clearing away the main obstacles to the export of rice from that surplus country.

7. That among the various food grains, other than rice, wheat should receive the highest priority in allocating grains to India. India has purchased about 350,000 tons of corn from the Argentine, the United States and Egypt; this corn has begun to arrive at Indian ports. It will be difficult to use more corn than this in India in view of existing food habits and cooking facilities. Some grain sorghum should be allocated and shipped because in the interior areas of South India people normally eat grain sorghum.

8. That in addition to food grains, upwards of 25,000 tons of protective foods be allocated to India, to supplement the diets of some of her more vulnerable groups, such as mothers, children, the aged, the infirm and those who have already suffered severely from food deficiencies.

9. That the Government of India be urged to eliminate discriminatory food rations as between villages and urban people that prevail in a few areas, for example in Mysore State.

10. That in order to deal effectively with the highly unstable food situation in Bengal the Government of India be assisted in establishing a special strategic reserve of food grains of about 250,000 tons in addition to current working stocks.

11. That positive steps be taken to maintain in India a full complement of competent observers, both official and non-official, to keep our Government and people fully informed regarding developments affecting food.

Dr. Theodore W. Schultz,
Chairman

Lillian Smith
Dr. Henry Smith Leiper
Joseph Willen
Sidney Hertzberg,
Consultant

July 25, 1946.

Supplementary Memoranda

No. 1

SOME EFFECTS OF THE SOCIAL AND POLITICAL STRUCTURE OF INDIA UPON FOOD PROCUREMENT*

The procurement of food grains from cultivators by direct measures has been more highly developed in India than in any other major country except perhaps the Soviet Union. This development of direct procurement has become necessary because of the food shortages caused by the war and more recently by the failure of major crops over large areas.

To understand the direct procurement of food it is necessary to take cognizance of the practices governing grain production, the ancient mechanism of internal "free" trade, the Constitutional relationships of the Indian Provinces and the Central Government, the administrative framework of the Provinces, and the political forces both within individual Provinces and between Indian parties and the British suzerain.

Near Subsistence Farming

Upwards of 85 per cent of India's 400 million people live in 700,000 villages where most of them grow rice, millets, or wheat for food and some of them non-food cash crops. There is almost no such thing as commercial production of food grains in India comparable to the major farming areas in the United States producing farm products for sale. Instead most of the many millions of cultivators farm a very small area of land and their operations by Western standards would classify them essentially as subsistence producers. They sell a small fraction of a small total production. It is this structure of small, virtually self-sufficient, cultivators that creates the prodigious administrative task which is undertaken when food grains are procured by Government by direct measures.

As background to the particular issues that arise in administering the procurement of food grains a word is necessary on the position of cultivators in normal years. The common pattern is for cultivators to use their food grain output to meet fixed charges and to feed their families. Ordinarily they must deliver some of the yield to land owners as rent, to field laborers as wages, to money-lenders as payment of principal and interest, to village shop-keepers as payment for the annual requirements of salt, kerosene oil, and cloth, and to the village serving classes who act as barbers, cobblers, watchmen, and priests. Each of these in turn keeps such amount of grain as he needs and his fortunes permit and passes

* This memorandum was prepared by Phillips Talbot, a fellow of the Institute of Current World affairs, and foreign correspondent of the *Chicago Daily News*, and by Theodore W. Schultz of the University of Chicago.

the rest on to the market buyers. Cultivators who have stocks of food grains in excess of those required to meet the payments specified and to satisfy their own consumption requirements also sell them to market buyers.

Most cultivators in India would normally like to hold back a larger fraction of their food grains for their own consumption. In technical terms their income elasticity of food grains is high. In normal times before the war when cultivators occasionally enjoyed some additional prosperity and thus could afford to eat a little more food, the resulting deficit in the food economy of India was made up by imports.

The war time inflation has affected prices in India in a manner so as to bring about some agrarian prosperity. Purchasing power of farm people has improved in most countries since 1940 because of the simple fact that the terms of trade of farm products have risen relatively. This prosperity has made it more difficult to procure as much grain from each cultivator as was sold by him during less prosperous years prior to the war. It is against this background that one must appraise the performance of the procurement machinery which has been instituted in India in recent years.

Administrative Problems

On the administrative side the division of powers between the Central Government and the individual provinces as set out in the Government of India Act of 1935 has proved unfavorable to centralized direct procurement. Under that act food and other civil supplies are matters reserved to the Provinces. When the food crisis arose the Central Government had neither the authority nor the machinery to establish an overall food procurement program in the Provinces. Its authority in the Indian States was even less, because they enjoy theoretical internal sovereignty under their treaty relations with the British Crown.

It is freely admitted that as late as 1941 no attention had been given to this administrative difficulty, because no plan for the defense of India contemplated the loss of Burma and Siam and their food exports. The Central Government realized only in 1942 that for the remainder of the war it would be impossible to rely on the usual imports from Southeast Asia.

National Food Plan

The inability of the Central Government to take effective action in the sphere of food was brought to a head by the 1943 Bengal famine. It was generally held that the Government of India had a major responsibility for feeding the people of India and yet it did not have administrative authority to do this. Clearly the deficit Provinces and States looked to the Central Government for aid. They wanted the necessary foodstuffs. On the other hand the surplus Provinces and States viewed any Central program as "undesirable interference." Nevertheless, in October, 1943, agreement was reached on a Basic Food Plan under which all provincial surpluses were made available without reservation to the Central Government for distribution anywhere in India. The deficit areas were willing, in fact anxious, to cooperate. The surplus areas were slow to join and gave less than full support. As in all surplus areas, neither producers nor consumers are disposed to accept readily low rations of food and direct procurement measures.

In fact the procurement provisions of India's Basic Food Plan were put into practice quickly and effectively in most of the deficit areas, but slowly and less effectively in surplus regions. In the latter areas the Central Government found

it necessary to rely upon requests, upon appeals of patriotism and the national unity of India, and various indirect pressures. Although the Central Government had the authority under War Emergency Powers to give directives to Provincial Governments, it refrained from doing so with two minor exceptions. One was a directive to bring about rationing in Calcutta, and the other to keep the Province of Sind from raising the price of wheat.

Differences in Provincial Organizations

Still another factor in the procurement of food grains is the wide diversity of administrative organization within the Provinces. To illustrate this take the contrast between Madras and Bengal. In Bengal the cultivator historically has been of little importance to the Government in its collection of revenue. This came about as a result of the so-called Permanent Land Revenue Settlement of 1793. Because of this the Provincial Government collects its land taxes from landlords some of whom own a great many villages. Furthermore, it is not unusual to find many intermediaries operating between the so-called landlord and the cultivator in the extraction of revenue from the cultivator. Because of this development in the collection of revenue the Government of Bengal has not had direct administrative contact with the cultivator and therefore has no record of his land, crops, yield, production, fixed expenses, and so forth. The Government has not had the administrative staff, the information, nor is it in contact with cultivators. As a result Provincial authorities make much of the point that it is not possible for them to procure food grains by direct measures since they cannot ascertain the production of food grains of the individual cultivator.

In Madras, on the other hand, British rule was still young when a Headman and a Revenue Officer were confirmed as Government officials in every village of the Province, including tracts under so-called permanent land revenue settlement. These posts have frequently become hereditary. These officials, who often receive no more than two or three dollars per month as salary from the Government, are also themselves either cultivators or shop-keepers. As Government officials they keep a record of every cultivator in the village and also non-cultivator farms. They list births and deaths, land holdings, annual plantings of crops, the resulting yields, the position of stocks, and the number and mortality of cattle. This system has made it possible for the Government of Madras to determine with a good deal of precision the production and the surplus of each cultivator, as it has done recently in order to cope with famine conditions.

Political Forces at Work

Political forces must be mentioned in estimating the efficiency of procurement. The Bengal famine came at a time when popular Government had been suspended in most Provinces, owing to the wartime walkout of the majority Congress Party ministries. Bengal, which had a Muslem ministry, and the Punjab, where a Unionist coalition dominated by landlords remained in power, were exceptions. The ensuing Basic Food Plan and provincial procurement and rationing schemes were built up largely under the official regimes of the British governors and their Indian civil service "steel frame" administrations. In some provinces, e.g., Madras and Bombay, it was possible to create efficient food organizations based entirely on administrative competence. In others, as the United Provinces, the official government introduced urban rationing, but did not press the cultivators too sharply on procurement. The reassumption of popular political parties in April 1946 introduced important changes. In the United Provinces the new

Congress ministry took up a politically unappealing compulsory procurement scheme and made it work far beyond expectations. In Madras the ministry, also a Congress Party organism, determined to establish village vigilante committees about whose efficiency many of the bureaucrats still have doubts. In Bombay, earlier close relations between the official food organization and non-official groups are apparently being cemented by the new Congress ministry there. The Punjab has recently agreed to introduce enforced procurement. But Bengal has not been noticeably subject to these new influences.

On the whole the subject of food has been commendably well kept outside the sphere of local politics. In major deficit areas this is particularly true. There both governmental officials and local citizens have recognized the necessity of close cooperation between governments and their people. The situation is more complex in such surplus areas as the Punjab and in the border province of Bengal. In both cases the ministry depends for some degree of support on large landowners and grain marketers. Especially in Bengal, the opposition party has exploited the public lack of confidence in the ministry's food policy as a political weapon.

Technique of Compulsory Procurement

Procurement techniques now in force can be divided into compulsory and voluntary types. Madras Province affords a good example of the former. The task begins at the village level. There the village Revenue Officer, with his records of individual holdings and plantings, estimates the expected yield from each plot sometime before the crop is ready for harvesting. His estimates are checked by samplings made by his immediate superior, a *taluk* officer who supervises perhaps 75 villages, and by at least one other Revenue Officer from outside the village. Any specific complaints against the village officer's estimates are adjudicated by one of the superior officers. When the crop is in, the village officer makes a final analysis of individual yields. This is again subject to checking and appeal before it is certified. The approved yield for each cultivator is entered after his name in the village records. Next, his family food allowance until the next harvest is calculated at the rate of 16 ounces of food grain per adult per day, with half allowance for children. Then other grain expenses are reckoned, including amounts for rent, seed, and payment of field labor. These and his family allowance are deducted from his yield, giving a net surplus or deficit. In the latter case, the cultivator acquires the right to go on the public ration rolls on the date that his own stocks are expected to be exhausted. A village abstract of the surplus producers is prepared and approved by a superior officer. It is then presented to the Government's nearest rationing wholesaler, with instructions to purchase the surpluses at the government approved rate. The wholesaler gets a fixed commission for collecting and bagging the surpluses. He adds them to his own stocks or ships them to an assembly point according to government instructions. In Madras, this official system is considered to work very well, but unofficial village committees are being formed by the provincial Congress ministry to assist in detecting hidden stocks or irregularities in the procurement procedure. As a further check on the system and inducement to growers, the ministry also offered a bounty to cultivators who offered extra stocks before July 31, 1946.

Other Procurement Plans

The system used in Bombay is similar, except that the government gives a blanket minimum exemption at about a ton of food grain a year per family, instead of calculating individual exemptions according to the size and require-

ments of each family. Local officials believe that this arrangement is administratively simpler and less subject to individual discretion than the Madras plan, and that it extracts the available surplus equally efficiently. Cases of hardship under blanket exemptions are adjudicated separately.

In the United Provinces, the introduction of compulsory procurement was accompanied by the assignment of district quotas to be obtained in the best way possible. The collector of Lucknow sought his goal by requisitioning 17 per cent of the crop, above a fixed minimum.

In Bengal, on the other hand, the rice trade continues to procure the bulk of the annual output that reaches the market. To the end of June, the Government had purchased in 1946 only 370,000 tons out of an anticipated marketable crop of 4,500,000 tons. Despite government cordons around 16 districts, the remainder of the crop was getting into the open market at rates 10 to 15 rupees a maund (82 lbs.) above government controlled prices. The government proposes to raid large hoards and to requisition private stocks. But it is doubtful whether under the present system the government can gain control of sufficient stocks to hold the market price in the deficit area of Bengal in line with rice prices elsewhere.

No. 2

FOOD SITUATION IN BENGAL HIGHLY UNSTABLE*

The developments in Bengal affecting food are in substance a special case in India.

The food situation has become less favorable as the season has advanced; 1946 may witness a repetition of the tragedy of 1943. The forces moving Bengal towards famine conditions are not under control. Additional measures will have to be taken to avert starvation this summer and fall.

Bengal was confronted by the following developments early in July, 1946:

1. Rice was selling in the open market in parts of the deficit districts at about twice the announced government price. The official figures for June were as follows:

For the surplus districts about Rs.14 per maund rice
For self-sufficient districts about Rs.14.5 maund rice
For the deficit districts about Rs.19.5 maund rice

Within the deficit districts the prices ranged as high as Rs.25 and 30 per maund. There was evidence that some sales were taking place at even higher prices.

2. The procurement of rice by the government had been small, about 370,000 tons against 650,000 tons in 1945. About 10 million tons of rice are normally consumed in Bengal. Of this about 4,500,000 tons enter at one point or another into market channels. Accordingly, procurement as of July 1 was about 8 per cent of the volume of rice usually entering market channels for distribution.

3. Stocks of rice held by the provincial government had become too small to serve satisfactorily the needs of deficit areas. On June 1 the net stock position of Bengal was 260,000 tons, of which 139,000 tons were ear-marked for non-rationed areas and the remainder for the rationed areas. The development during June may be seen from the fact that the non-rationed areas had an off-take of 55,000 tons against a procurement of 20,000 tons leaving a net position of stock as of July 1 of 104,000 tons. The non-rationed areas include about one-third of the population; these deficit areas had experienced high rice prices. The requirements of this segment of the population are as a minimum 84,000 tons per month, accordingly

* Prepared by Theodore W. Schultz of the University of Chicago.

the stocks on hand on July 1 were sufficient for about five weeks. Action had been taken to reduce allocations to the deficit areas to 62,000 tons during July. Such action does help maintain stocks, but the non-rationed deficit areas were rapidly approaching a critical stage. The food deficiencies were already so serious that instead of allocating less rice to these areas a much larger quantity of rice was required.

4. The existing supplies of rice were unequally distributed among the districts. This unequal distribution is a significant measure of the problem that had arisen. Although the over-all statistical position of rice supplies in Bengal was more adequate than were food supplies in many other major regions of India, distribution was far from satisfactory. The provincial government had, on one hand, not procured enough rice to meet the minimum requirements of the deficit areas and. on the other hand, had established cordons around the districts to prevent traders and others from bringing rice to these deficit areas.

With these diverse developments in the food situation one should not be surprised at the growing fear among the people that there might be a repetition of the tragedy of 1943.

Famine Psychology

The fear of famine can itself cause famine. The people of Bengal are afraid of a famine. The fear is understandable when one notes the similarity between developments in process and events that preceded the famine three years ago. The measures that have been taken by the provincial government to deal with the deteriorating food situation within Bengal are far from adequate.

Bengal is a key province of India. It is the most populous, with about 60 million people, and Calcutta is India's largest city. The provincial government does not have a clear-cut mandate; it is a quasi-coalition operating on a slim margin of political support.

The management of food in Bengal is made difficult by the fact that records regarding the production of rice by cultivators are at present not available. The market machinery handling rice is partly monopolized by private traders. Then there is the mismanagement which characterized the handling of the food crises in 1943. It was repeatedly charged that the famine of that year was man-made.

In view of these developments it can be said that if the growing fear of famine is not checked by positive measures that merit public confidence, Bengal is likely to experience an acute food crisis this year. The main rice crop is not ready until November-December. Many hundreds of thousands of people in the deficit areas of Bengal will die of starvation during the next four or five months unless additional food is forthcoming and made available to them at prices more nearly like those governing in the deficit areas of other Provinces in India where the food situation is so much better in hand.

Two basic questions arise regarding food conditions in Bengal: (1) What are the main causes for the fear of an impending famine in view of the general belief that the supply of rice in Bengal is not more than 10 per cent below normal; (2) what can be done at this late hour to avert famine in 1946?

Causes for the Highly Unstable Food Situation

The famine psychology that prevails in many quarters, as already indicated, is quite understandable. This basic fear had been encouraged by a hostile press and by political elements in opposition to the provincial government now in

power. Many people recall the course of events that preceded the famine of 1943 when about 1,500,000 people died of starvation in Bengal. The fear of famine and the endeavor of many people acting as individuals to make their food position more secure, results in developments that jeopardize the food economy as a whole. In this respect, there is a close analogy to banking when a run on banks gets underway. In banking, when many depositors seek payment in cash, an otherwise perfectly sound banking system can be destroyed quickly. Confidence is as essential to the management of food in Bengal as it is in banking anywhere. It must be recognized that there is a growing lack of confidence in the food system as it was being administered in Bengal. Shaken confidence helped to give rise to the highly unstable food situation. The causes are fairly evident and have already been touched upon in this memorandum, namely:

1. The production of rice in Bengal available for 1946 was somewhere between 7 to 10 per cent below normal in contrast to the bumper and more generous supply of the previous year.

2. Procurement of rice by the Government of Bengal in 1946 was far from adequate to provide stocks and maintain distribution. Here again there is a marked contrast to 1945 when the Government procured stocks so large that some of the rice spoiled. The key to the entire management of food in Bengal is to be found in its procurement policies and programs. In terms of the 1946 situation the procurement was not only wanting, but it was a failure because 370,000 tons, which was the amount procured as of July 1, 1946, was hopelessly inadequate in view of the distribution requirements that had arisen.

3. With insufficient procurement of rice, stocks were too small. And they were dwindling. They were not sufficient to maintain an adequate flow of rice in the deficit areas, especially into those villages that are most dependent on surpluses from other areas for much of their yearly rice requirements. These deficit villages often devote a considerable fraction of their land to industrial crops, notably in Eastern Bengal to the growing of jute. It is this jute district that suffered most in 1943 and is most seriously threatened again in 1946.

4. Prices of rice had risen markedly. The deficit areas had been specially hard hit. Traders and the provincial government had disposed of some very low quality rice, some of which was not edible under any conditions. The fact that some people in the main deficit areas felt compelled to buy this "unfit" low quality rice at exceedingly high prices was in itself a measure of the grave insecurity felt by such people regarding their food requirements.

5. The procurement program of the Government was being administered in some cases by individuals who could not command public confidence because of their close connection with the handling of the food situation in 1943.

Measures to Avert a Famine in 1946

The above analysis points to the necessity of direct procurement rigorously administered. It is doubtful, however, that such administrative machinery can be devised on short notice. It cannot be created in time to resolve the problem on hand during the remainder of 1946. The measures to establish procurement machinery comparable to that of Madras and other deficit areas should be undertaken in order to have it at hand for future years. But such administrative machinery cannot be developed in time to avert the famine conditions that are now threatening.

The Government has placed cordons around 16 districts in Bengal. The function of these cordons is to prevent trade and transactions between and among the districts with a view that those holding rice in surplus areas will be forced to

sell their supplies to Government procurement agencies. It seems evident that these cordons have become a liability rather than an asset, because they have not in fact resulted in the necessary procurement and because they have placed obstacles in the way of trade and therefore check the movement of rice into deficit areas. A case can be made for the immediate abolition of these cordons.

The Main Remedy

Given the present situation, the primary means for dealing with the unstable food situation in Bengal is outside supplies. If the Central Government had 250,000 tons of rice which it could promptly move into the deficit areas of Bengal, it would probably stabilize the entire food situation of that Province. One may even argue that it would result in lower rice prices, better distribution of supplies within Bengal with only a fraction of the 250,000 tons actually being drawn into consumption in Bengal. Before the war, the availability of rice from external sources was an important stabilizing factor. Such supplies are now obviously not available.

It is, therefore, imperative that the Central Government obtain as quickly as possible a special buffer stock of about 250,000 tons for use in Bengal in order to stabilize the food situation in that key Province. The Central Government in using such a stock will undoubtedly want to lay down certain conditions covering the use of rice in deficit areas, deliveries, prices, rations, and so forth. The main point, however, is that a special strategic stock is urgently required in order to manage the critical food situation that has developed in Bengal; it is necessary to check the ominous drift before it gets out of hand and repeats, during the next three to five months, the type of tragedy that occurred in 1943.

No. 3

OPPORTUNITIES FOR AID BY NON-GOVERNMENTAL AGENCIES AND BY PRIVATE INDIVIDUALS*

Opportunities for private relief agencies to assist in India's food emergency are real and important. It must be emphasized that the procurement and distribution of food is and must remain in the first instance a government responsibility.

Private agencies can best aid by making known the facts to their constituencies and by keeping in touch with government to provide, where needed, volunteers for certain specialized tasks.

There are at least three other lines of cooperation which should be encouraged. The first is the securing, shipment, and distribution of supplementary dietary aids for special groups such as children, aged people, and victims of malnutrition. The aids referred to include dried milk in small tins (*not* in bulk shipments packed in wood), vitamin tablets, cod liver oil, glucose, and corn flour. The second is the development of scientific programs and demonstrations of improved methods of using available substitute foods unfamiliar to the Indian people. The third relates to improved methods of agriculture within the limits imposed by average Indian farm conditions.

All these can be supplemented in certain areas of particular economic distress with carefully handled money grants to persons not otherwise able to purchase rations to which they are entitled.

* Prepared by Dr. Henry Smith Leiper, Ecumenical Secretary of the Federal Council of the Churches of Christ in America.

These undertakings by non-governmental agencies and by private individuals should be carried on in full consultation with the governmental authorities responsible for food administration in India. The officials have indicated that in the United States their representative in Washington may be able to facilitate shipping for such supplies as private agencies secure and wish to forward to India. Supplies thus shipped can then be quickly admitted free of duty.

For longer term approaches to India's food problems there are special contributions which voluntary agencies can make through farm schools, village educational programs, and larger programs of higher education. All of these need to be kept in mind by American friends of India.

Both short term and long term programs are now in being under the auspices of such bodies as the American Friends Service Committee, Church World Service, Inc., the National Christian Council of India, and the various missions conducted by English, Scottish and American Churches.

No. 4

DEVELOPMENT OF FOOD RATIONING IN INDIA*

The pressing food crisis in India that followed Pearl Harbor and the loss of normal rice imports forced India to establish general rationing procedures. In official circles there was a disposition to believe that rationing could not be administered among a people who are overwhelmingly illiterate. The people of India had not been exposed to food controls or to any limitation except financial on what they could buy. The idea of carrying about a ration card to get food was foreign to them. Few administrative measures to determine price and quantities sold had been put into practice without widespread racketeering. In other words, India seemed unripe for such controls.

Bombay City was the first municipality to try the job. Its population included a strong westernized element and well-entrenched industries and labor unions. Rationing was brought in slowly, and gradually extended. It worked. People accepted the ration cards and used them. Other cities and provinces sent observers to Bombay to study its techniques.

Under the impact of ensuing food crises rationing has spread to nearly all cities in India and to large rural areas. In Bombay and Madras provinces and some neighboring states, the local governments monopolize distribution of food grains, the staple food. They have squeezed out grain traders or subverted them into government agents. From the moment grain is procured either internally or from imports, these governments accept the responsibility for storing it, transporting it, and moving it through their own wholesale and retail channels to consumers who can buy strictly rationed quantities. As a general rule, in surplus areas, the local government controls a smaller percentage of the available grain and more moves through the free market. In the special case of Bengal only a small fraction of the marketable grain is handled through government distribution channels.

Types of Rationing

There are two main types of rationing procedure, the "statutory," and the "informal." The former applies mostly to urban areas. By legislative edict it

* This memorandum was prepared by Phillips Talbot, a fellow of the Institute of Current World Affairs, and foreign correspondent of the *Chicago Daily News*, and by Theodore W. Schultz of the University of Chicago.

binds the Government to provide the full ration (now only 12 ounces for adults) to every ration card holder. Under the "informal" rationing there is no similar legal obligation on either side. If supplies run short, the Government may technically refuse to distribute grain even to ration card holders. Most of the provinces and states have given their word to the Central Government, however, that they will honor the informal rationing commitments as fully as the statutory rationing.

Discriminatory Rationing in Mysore

Discriminatory rationing has not been general but the exception to the rule. The discriminatory rationing system which was in effect in Mysore State in July, 1946 allowed the standard Indian 12-ounce ration to consumers in the major cities. In smaller towns the ration issued was only 10.8 or 9.6 ounces. In the villages it was as low as 7.2 ounces per adult with half that for children. Reports were received of 5 ounce rations, and of people in remote areas away from roads receiving no rations at all. State authorities have reasons for this discrimination. They contend that their stocks were so low that uniform rationing would have jeopardized their reserve unduly. The Central Government, however, disagrees with this reasoning. It seems plain that the Mysore administration has been anxious to conserve its reserves because it distrusts the prospects of future allocations from the Central Government and from abroad, and that the State authorities consider it important to keep the cities reasonably well fed because the risk of public reaction is greater in the cities than in the villages.

Nutritionists of the Government of India confirmed the observations of the Mission that malnutrition has already set in in Mysore. Unless food rations are raised throughout to 12 ounces very soon serious consequences can be expected.

Limited Rationing in Bengal

In Bengal the provincial authorities had not attempted to put more than 10 per cent of the population under rations. These include the urban population and the poorest "A-class" families in deficit districts. In effect, the countryside is fed by the rice trade which supplies grain at prices as much as 10 to 15 rupees a maund (82 pounds) above the official government price. The traders find it easy to hoard stocks or manipulate prices, to the potential disaster of all Bengal.

Lying between the best and the worst are provinces such as the Punjab and the United Provinces where there is an overall grain surplus. Rationing grows increasingly efficient there, but officials agree that middle class and well-to-do families supplement their diets with grain supplies that leak into trade channels outside of government supervision.

Success of Rationing System Generally

The important point is not that rationing has not been 100 per cent efficient in all areas. It is that rationing not only has worked but has worked extremely well in most of the country.

The implications of successful rationing in India are great. India has gone through famines before, but they have been local famines. Farmers have learned by bitter experience to store up a little extra grain during good years for the lean ones that follow. In that field as in others the illiterate peasant of India possesses the wisdom of the ages. After two or three years of fairly strict rationing, however, his reserves have been pretty well exhausted. City people no longer can keep an extra bag of rice in the house for emergencies. The provident elements of the population have slipped, as have all others, into complete dependence on the government rationing system for their food.

This is not a bad development. It is a goal actively sought after. Only by screwing down hard on food distribution has it been possible to spread thin supplies over the whole country. If many individuals had hoarded, others would have starved by now.

If Rationing System Collapses

But the very effectiveness of the rationing system means that if supplies fail the ensuing collapse will be general instead of local. Given the management of food reserves by the Government of India, the distributive organization cannot break down at one point without threatening to pull down the whole system. With present supplies and working stocks the government barely manages to meet current commitments. Already the health and resistance of many millions of people has sagged dangerously under the 12 ounce diet (calculated at about 1,200 calories per adult daily). Any break-down of the distribution system, even a temporary one, is likely to bring on famine conditions and with it starvation that, once started, might quickly engulf millions of people as it sweeps the country, so dependent are millions of village cultivators and city consumers on the rationing system of India.

No. 5

RICE FOR INDIA FROM INDONESIA*

Indonesia has offered India 500,000 tons of rice. Developments affecting this rice and its availability are as follows:

An official of the Government of India has gone to Indonesia and reports that there are in fact about 750,000 to 800,000 tons of rice paddy. This paddy will turn out about 60 per cent in rice. With the cooperation of the Dutch it should be possible to obtain this rice at the rate of 70,000 to 100,000 tons per month.

Two major issues have arisen, however, to complicate the acquisition of this rice, namely:

1. Indonesia's political leaders insist that they want this rice to go to India and to no one else. They do not want this rice to fall into other hands, especially not into the hands of the Dutch. Nor do they want the Dutch to benefit from this rice indirectly.

2. The Dutch Government insist that the surplus rice of Java is normally required to cover the food deficits of other parts of the Netherlands East Indies and that they must have assurances that these deficits will be met before they can permit the Government of India to acquire the rice from Java.

At the recent conference at Singapore various proposals made by the Government of India failed to win acceptance.

The Dutch have insisted on assurances from the Government of India that if rice supplies in their deficit areas were to fall below normal requirements between now and May, 1947 that the Government of India agree to replace such deficiencies up to the total amount of rice acquired from Indonesia. Sir Robert Hutchings made it clear that it is impossible for the Government of India to agree to these conditions. With the critical shortages of food in India it would be absolutely necessary to allocate the rice obtained from Java to consumers. This would preclude the accumulation of stocks of rice sufficient to replace all of the rice from Java should the Dutch find it desirable to exercise their claims.

* Prepared by Theodore W. Schultz of the University of Chicago.

Yet, from the point of view of India, in order to collect and transport the rice, it is quite necessary to obtain the full cooperation of the Dutch. Unless the big ports of Java are opened to India only a small fraction of the rice can be loaded and transported, probably not more than 20,000 or 30,000 tons a month. Special ships are required to sail from India to Java during the south-west monsoon period. Lighters would have to be loaded on such special ships. Even if this were possible and the ships arrived the lighters could not be unloaded except in the larger ports of Java because of the cranes and other facilities that are needed to unload such heavy objects.

Because of the lack of agreement between the Dutch and the Government of India the availability of this important large supply of rice was still uncertain during mid-July. How little or how much will be acquired during the third quarter of 1946 is therefore problematic. Any supplies of rice for India from this source should not be counted until they have been realized.

Any rice from Java that is obtained by India will be declared in full to the International Emergency Food Council.

In order to facilitate the procurement of this rice, so badly needed by people in India, immediate steps should be taken to resolve the political issues affecting adversely the availability of this rice. Two basic principles must be met in achieving this political agreement: (1) To satisfy the Indonesia political leaders the rice from Java should go to India to improve the critical food situation in that country. Java rice should not be treated as merely an offset to the other food supplies allocated or about to be allocated to India; and (2) to satisfy the Dutch the International Emergency Food Council should give the Dutch certain assurances with regard to food requirements covering the rest of the Netherland East Indies.

No. 6

RICE PROCUREMENT PROSPECTS IN BURMA*

The outlook for obtaining much more rice from Burma during the remainder of this calendar year is not on the optimistic side. Food officials in New Delhi estimate that about 150,000 tons of rice may be made available.† Internal security is the major limiting factor to procurement of rice. The Government of Burma does not have adequate control at the present time for there is a good deal of lawlessness, some of it organized. The insecurity of cultivators, and of traders seeking to make contact with the interior to purchase supplies, is a major factor.

A photographic aerial survey which has been made of Burma indicates that the planting last year covered about one-third of the normal acreage devoted to rice. From this survey it appears that for the calendar year 1946 the maximum exports (given favorable trade and secured conditions) could not exceed 500,000 tons of rice.

Plans are going forward in Burma for planting the crop which will be harvested early in 1947. These plantings are also adversely affected by internal insecurity and by the great scarcity of certain consumer goods, e.g., cloth is so scarce that not all members of a family have clothes. As a result not all of them can go outside and undertake field work at the same time. Incentives are being used to induce

* Prepared by Theodore W. Schultz of the University of Chicago.

† Sir Robert Hutchings is well qualified to appraise developments in Burma. He spent over two years, prior and during the war up until the time it was invaded by the Japanese, as a major public official stationed in Burma.

producers to increase plantings by making kerosene, cloth, and ground nuts available. The Government is offering a bonus of Rs.12 per acre for additional land put into rice.

One observer on the ground in Burma reports that plantings may approach 60 per cent of pre-war and should result in a surplus of 500,000 to 750,000 tons. This observer also stressed the fact that the general lawlessness was the biggest single factor in curtailing rice planting. He also stressed that it was going to be difficult to load rice because there are too few tugs and lighters and because of the wholly inadequate port facilities. This observer also confirmed the estimate that between July 1 and January 1 about 150,000 tons of rice may be obtained from Burma. Under very favorable developments, this figure might be lifted to 200,000 tons.

Thus far this year, from January to July (including arrivals expected during July) 86,000 tons of rice have been received by India from Burma.

There is little that the United States can do to hasten the rehabilitation of Burma rice production.

It should be noted that a number of officials and private individuals in the provinces of India were critical of the policy of the Central Government in getting rice out of Burma. They felt that the officials at New Delhi had not done everything possible to obtain whatever rice may be available. There were rumors that more rice was to be had, and this resulted in the belief that a greater effort should be made to obtain it. Some critics expressed the view that if private traders and provincial governments were permitted to negotiate and take steps to obtain the rice that more could be accomplished. It is not easy to evaluate the merits of these views. These critics did not appear to have very full information regarding Burma. Their knowledge was partial and often of the nature of rumors.

No. 7

EFFECT OF CHANGES IN CULTIVATORS' INCOME ON FOOD CONSUMPTION IN INDIA*

India's war time experiences indicate that cultivators increase their consumption of food very considerably as their income rises. The income elasticity of food for cultivators is high, much higher than in any Western country. The effect of this high income elasticity of food for cultivators upon the procurement of grain is highly significant, especially in the structure of the economy of India where the cultivator's sale of food grains is a relatively small fraction of his total production.

In the United States the income elasticity of farm products for consumers as a whole is probably in the neighborhood of .25; this means that if the income of consumers were to increase 10 per cent per capita in real terms, the expenditures allocated for food, assuming no changes in relative prices, would be 2.5 per cent. In India the fragmentary evidence at hand suggests that the income elasticity of food for cultivators and their families (they total two-thirds or more of the entire population) *is upwards of* 1.0. This means that an increase in the income of the cultivators of 10 per cent gives rise in the consumption of food by cultivators and their families of 10 per cent.

The impact of this high income elasticity of food, on the part of the cultivators in India, upon the quantity of food grains sold is substantial. Most cultivators in India normally sell a relatively small fraction of their food grain production. For

* Prepared by Theodore W. Schultz of the University of Chicago.

example, for purposes of contrast, a typical farmer in Iowa sells 95 per cent† of the food he produces, whereas a typical cultivator in the large Province of Madras in South India sells about 45 per cent of his total food production. Given this pattern of production and sales it follows that if a producer is, in respect to his income, disposed to increase his own consumption appreciably the effect upon the total amount of food grains offered for sale is relatively large. Income changes which improve the economic position of the cultivator as much as 20 to 25 per cent may reduce the amount of food grains offered for sale by one-fourth and more. To illustrate, take a typical cultivator who produces 100 units of foodgrains consuming 55 and selling 45. Assume that his production remains constant and that as a result of changes in relative prices, his real income improves by 20 per cent. Presumably in this case with an income elasticity of 1.0 his consumption of food grains would rise by 11 units leaving 34 units for sales. This illustration may overdraw the direct effects, because it would require a marked change in relative prices—with such a small portion of total production being sold, unless non-food products are produced in addition to the food products—to realize a 20 per cent increase in real income. Nevertheless the impact of the war in India has moved the economic scales in that direction.

It is, therefore, important to realize that the war time inflation and the changes this has induced in relative prices and the resulting greater prosperity that has come to cultivators, chiefly as a result of the fact that many of the payments of cultivators have not risen proportionately to the price of the products they sell. This new found prosperity along with the high income elasticity of food on the part of cultivators and with the small fraction of the crop that is normally sold, has had a substantial effect upon the amount of food grains that enter market channels by free sales on the part of cultivators. This shift by cultivators in the direction of consuming more food grains has made the task of procurement all the more difficult. The rise in income of cultivators has been a powerful force working against procuring quantities as large as those sold by them before the war.

It is therefore all the more remarkable that the monopoly procurement system that has been widely established in the peninsula of India has been able to obtain from cultivators a proportion of their production not much smaller than pre-war sales, despite the keen desire of cultivators to improve their own diet by eating more of the foodgrains they have produced.

No. 8

DID INDIA OVERSTATE HER NEEDS IN MARCH?*

In March, 1946 when the representatives of the Government of India first put the food requirements of that country before the United States (and before the Combined Food Board) they estimated that the total food imports required by India during 1946 would be 4.2 million tons.

In view of the scaling down of requests that has occurred since then were the earlier estimates of necessary food imports altogether too large? To this question the officials of the Government of India give the following wholly valid explanation:

(FIGURES BELOW ARE ALL IN MILLIONS OF TONS)

"We asked for 2.2. in first half, and 2 in second half (shipment).

† Iowa farmers' cash income from marketings was $1,443,600,000 in 1944, while the value of farm products consumed by them was $65,200,000.

* Prepared by Theodore W. Schultz of the University of Chicago.

"We got .8 in first half and on actual stocks and requirements have asked for 1.5 in 3rd quarter and .9 in 4th quarter.

"With .8 in first half, our total requirement for the year is .8 + 1.5 + .9 = 3.2.

"The question is 'did we overstate our case when we asked for 4.2 in March? The answer is 'No.'

"Originally we had included in our demand an overall 2 months reserve. We have now been compelled to reduce it to 1½ months' supply. (The Madras Government has been finding it difficult to arrange distribution in some areas, even with 2 months' stocks. In both Travancore and Cochin stocks have come down to a 6 weeks' basis and this reduced supply situation is causing great anxiety.) Secondly, in rural areas over the greater part of Southern India, owing to shortage of supplies, only 1/3 to ½ of the ration of 12 oz. has been supplied since the beginning of this year. Thirdly, local procurement during the period May-June has, on the whole, been better (except in Bengal) than the Provinces had expected. Fourthly, since the failure of the rabi crops has been less than we had originally estimated, the main rabi areas, Sind and Punjab, have found it possible to produce some surplus as loan, and the United Province has been quite successful with her food grain levy on cultivators. These developments account for the reduced demand of 3.2 for the year with which we find we can now manage."

No. 9

REGIONAL FOOD SITUATION: REGION CONSISTING OF BOMBAY, CENTRAL PROVINCES AND BERAR, HYDERABAD, DECCAN, BARODA, 16 GUJARAT STATES, AND 17 DECCAN STATES*

The principal deficit areas are Bombay and the Deccan States.

Bombay

Bombay has a population of 21 million. In the Province there is a rice growing tract and a non-rice growing tract. In the latter there is compulsory levy from cultivators. No levy is made from those growing one ton or less during the year. The minimum of one ton is left with the cultivators for the consumption of their families and for seed. Those who produce more than one ton have to sell a certain proportion of their excess to Government on a graduated scale. Apart from the levy, all surplus grain with the cultivators must be sold by them to Government except for small quantities which they are allowed to sell in local village markets.

In the rice tracts, there is no compulsory levy, but all rice mills must sell polished rice only to Government. Government also purchases paddy which ensures the payment of a fair price to the cultivators by the mills. A very careful watch is kept on procurement figures and if there is any hoarding, the local authorities have power to requisition stocks.

The requirements of non-cultivators and cultivators producing less than they consume are met by rationing. There is full statutory rationing in all urban areas and towns with a population of over 10,000. In all, 117 towns are rationed. In rural areas people requiring grains have to satisfy local authorities and are given ration cards on a family basis. They can get their supplies from Government grain

* Prepared by N. T. Shivdasani, Regional Food Commissioner, Bombay.

distributing centers. These centers are located at a distance of not more than five miles from their villages.

For meeting the requirements of rationed towns and rural areas on the basis of 12 ounce ration per head, the Bombay Government requires 120,000 tons per month. At the rate of 120,000 they will require for the period between June 1 and December 31:

	840,000
Stocks on hand on June 1	415,000
Anticipated local procurement till middle of December	25,000
Deficit	400,000
On the basis of present likely imports the Government of India have allotted Bombay 13,000 tons for June and 5,000 in July	18,000
In June and July Bombay should get from internal sources	88,000
	106,000
Between August and December the balance due of the allotments made to Bombay from internal sources will be about 60,000 of which the maximum that might be received will be about	44,000
The net deficit is therefore not likely to be less than	250,000

As the main crops of the next harvest—rice, jowar and Bajri—will not be available in appreciable quantities until the end of December, Bombay must receive another 120,000 tons by the end of November to have two months stocks on the 1st of December. The total requirements of Bombay for the rest of the year over and above the present allocations from internal sources and imports are 370,000. (These figures relate to rice, wheat, millets, and maize).

Deccan States

The population of all the States is about 2.82 millions. In all the States there is state monopoly of purchase and full rural and urban rationing. A field to field survey is made of the crops and after the harvest a further check is made of the crops with the villagers by visiting their houses. Every cultivator is then left with sufficient grain to meet the requirements of his family on the rationed scale up to the next harvest—and for his seed. The surplus is all taken by the Government. It becomes the responsibility of Government then to meet the deficit of cultivators and non-cultivators. Under this system the demands on Government increase every month after the harvest as the stocks with the cultivators get less and less. Under this system the figures of deficits are fairly detailed and accurate. The position is as follows:

JULY

Anticipated stocks on July 1	31,800
Local procurement	2,600
From imports and from internal sources	20,000
	54,400
Less anticipated offtake	10,000

AUGUST		
	Stocks on August 1	44,400
	Local procurement	2,000
	From imports nothing has been allotted	——
	Internal sources	2,000
		48,400
	Less anticipated offtake	15,000
SEPTEMBER		
	Stocks on September 1	33,400
	Procurement and imports nil	——
	Less anticipated offtake	25,000
OCTOBER		
	On October 1 balance (minus)	8,400
	Offtake in Oct., Nov., and Dec. at 30,000 per month	90,000
	Net deficit	81,600
	Plus 30,000 so that there may be 2 months stocks on November 1	30,000
	Total requirement	111,600

Central Province and Berar

They are deficit only in wheat and require 5,000 tons per month. As they have a quota of 5,000 for July their net deficit unprovided for till December 31. 1946 comes to 30,000
plus one month's carry-over 5,000
35,000

Gujarat States — require no help

Hyderabad Wheat deficit	(declared)	7,200
Rice deficit	"	8,000
Allotted wheat and wheat products		1,000
Rice		5,000
Net deficit wheat		6,200
Rice		3,000

Hyderabad has compulsory levy in agriculture tracts and monopoly purchase in the rest of the dominions. They are normally largely surplus in millets. But on account of unfavorable monsoon, the acreage in the Kharif decreased by about 1.5 million acres and the yield was 1,300,000 tons against 1,570,000 of the previous year, i.e., a decrease of 270,000 tons. The Rabi-jowar crop was also unsatisfactory and scarcity has been declared in parts of three districts. Rationing in 10 towns with a population of 1-½ million, and rural areas with a population of 1,920,000. Rationing has been extended to all scarcity areas.

Baroda

Has a compulsory levy, and all surplus is taken away as in the Deccan States. There is also monopoly purchase by Government.

Wheat deficit declared	22,000	
allotted	5,000	
Net deficit		17,000
Rice deficit declared	9,000	
allotted	5,000	
Net deficit		4,000

No. 10

FOOD SITUATION IN SOUTHERN REGION: REGION CONSISTING OF MADRAS, COORG, MYSORE, TRAVANCORE, COCHIN, PUDUKKOTTAI, BANGANAPALLI, AND SANDUR*

Provinces and States	Population (in millions)		Normal requirements (Cereals in millions of tons)	Normal production	Production in 1945-46	1946 *Surplus* deficit
Madras	52	Rice	5.3	4.9	3.8	
		Millets	2.8	2.8	2.8	— 1.565
		Wheat	0.065	nil	nil	
Coorg	.15	Small quantity				+ .015
Mysore	8	Rice	.3	.25	.21	
		Millets	.6	.50	.32	— .40
		Wheat	.03			
Travancore	6.5	Rice	.6	.3	.16	— .58
Cochin	1.5	Rice	.21	.08	.07	
Pudukkottai	.15					— .04
Banganapalli, Sandur	Negligible — looked after by Madras					
Total	68 roughly		9.905	8.83	7.36	— 2.57

Normal total deficit for the whole region	1.07
Deficit for 1945-46	2.57
Deficit to be made up by imports in the next 6 months to keep on 12 oz. ration	1.3

The figures above are approximate but substantially correct. A part of the imported requirements shown above may possibly be made up by imports which have been promised to India and a share of which may be allotted to this Region. But past experience shows that only half the imports promised have been actually arriving.

Policy Objective

The food policy is the same in all the Provinces and States within this region, for example, monopoly procurement system, control over trade and prices and rationing of food grains. Uniformity in this policy is maintained by monthly

* Prepared by C. P. K. Menon, Regional Food Commissioner, Madras.

discussions at a regional food conference consisting of the representatives of provinces and states in the region and presided over by the Regional Food Commissioner. At these meetings common and special problems are acted upon.

Monopoly Procurement

Direct procurement from cultivators was introduced in the Provinces and States during 1942 and 1943. By the middle of 1943, it was enforced throughout the Region. Procurement is made by Government agencies. The surplus of each ryot is acquired, account being taken of his production, of his personal requirements, seed requirements and wages to his labor in kind. The food grain procured is then distributed in the district, if it is a deficit district, or exported to deficit districts if it is a surplus district. The procurement is made at a price announced by the Government. The price levels obtaining in this Region at which procurement is made are roughly about 2-½ to 3 times the prewar levels. Take for example rice: the price per maund of rice, prewar was Rs. 3-8-0; the price now is between Rs. 8 to 9 on an average. The cultivators have become accustomed to enforced procurement and there is no opposition to it. On the other hand most of them are glad to sell their surpluses to Government as they get cash immediately on sale and do not have to take the trouble of storing the grain for sale later. This is true especially of the smaller cultivators.

Control Over Trade and Price Levels

All price dealers are licensed by the Governments—both wholesale and retail. All purchases for supply to the wholesalers are made by Government Officers, who operate in the surplus area and buy at prices fixed by Government. No private trader can make any purchases. By this means, the Governments are able to avoid competition among themselves and avoid driving up prices. The wholesalers and retailers are given a fixed commission on each bag sold by them. The consumer's price is made up of the purchase price plus expenses including freight. No profit is made. In the case of imported grains, especially those imported from Northern India, where the prices are much higher, the Governments have had to subsidize and offer the consumers the grains at a pool price in some areas or at local market rates in other areas. The consumer's price generally, in the case of rice, which is the most important grain, ranges between 9 to 11 rupees per maund. The levels of prices are considered generally reasonable with reference to the interests of the consumers and of the producers.

Rationing of Food Grains

The whole of the Southern Food Region is now rationed, with the exception of the small British Province of Coorg, which is slightly surplus in rice, which surplus is allotted to the neighboring State of Mysore. Even this little Province has agreed to introduce rural rationing in the whole of the Province from the next harvest in January. Cochin and Travancore were the earliest to be rationed. They introduced State-wide rationing in 1942 and 1943. In Madras and Mysore, the towns were rationed first, and later Mysore introduced rural rationing in the whole State. Madras started rural rationing from 1944 and had extended it to about 7 or 8 deficit districts, when suddenly the huge deficit of the current year confronted them in about January, 1946. Confronted with this huge deficit the Madras Government, on the advice of the Regional Food Commissioner, agreed to extend rural rationing to the whole of the Province. They did so quickly and

only a few areas in 2 or 3 districts remain to be rationed and this work will be complete within a few weeks.

The scale of food rations in the whole of this food region is 12 ounces. Before the year 1946 the scale of ration was 14 ounces to one pound and the reduction to 12 ounces was made when the region was confronted with a huge deficit early in 1946. The Government of India directed the reduction in the rations in the whole of India to 12 ounces. The Provinces and States in this region were the first to act upon directives. As there was a shortage in rice and millets, the ration of 12 ounces was made up of 10 ounces of the basic grain (rice or millet) plus 2 ounces of wheat.

As imports have not been coming according to schedule and as the stock position in this area (in the Provinces and States) has become precarious, it has not been possible to maintain this 12 ounce ration. During the last two months, Travancore has been obliged to reduce its ration in the rural areas to much less than 12 ounces; Mysore has had to do the same in some of its areas; and, Madras has just reduced the rice portion of the ration by 2 ounces in two districts, (the ration in those districts being 8 ounces of rice and 4 ounces of wheat).

With the huge deficit facing this region, but for rationing, distribution would have been very uneven and the poor people would not have been able to make any purchases and many poor people would have died a month ago. If we are able to maintain the 12 ounce ration throughout the Region we hope to pass through the crisis without serious calamity, though the vitality of the people will certainly be reduced.

Necessary Food Imports

The *import* requirement of this large deficit region for the next six months is 1.3 million tons. Of this 500,000 tons should be in rice, the balance in wheat and millets according to their availability. Imports must come quickly.

Single copies of this Report may be obtained free by writing to the India Famine Emergency Committee, 40 East 49th Street, New York 17, N. Y. Quantity rates on request.

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INDIA FAMINE EMERGENCY COMMITTEE

40 EAST 49th STREET
ROOM 502
NEW YORK 17, N. Y.

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The purpose of the Committee is to make sure that the maximum amount of America's excess food is made available to the hungry of the world and that India receives an equitable share. The Committee will be glad to have contributions for this purpose.